

**SUBJECT: FINANCE REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021**

**1. PURPOSE**

This paper is coming to the Board members:

For approval	<input type="checkbox"/>	For endorsement	<input type="checkbox"/>	To note	<input checked="" type="checkbox"/>
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**2. ROUTE TO THE BOARD**

As agreed, this report comes straight to the Board from the Director of Finance. The Acute Governance Committee and Health and Social Care Partnership Management Teams receive financial reports for their own area.

**3. SUMMARY OF KEY ISSUES**

The Board's financial plan reflected the costs of normal operating and assumed any additional Covid-19 costs would be funded by the Scottish Government. To balance, it relied on £30.693m of savings, £25.773m of which were still to be identified when submitting the plan. This meant the Board started the year with costs exceeding income producing monthly deficits. The aspiration was to have identified sufficient measures by November 2021 to climb back to break-even at the year-end. Severe pressures on services from the prevalence of Covid-19 and pent up demand has meant we remain on an emergency footing and have been unable to resume the financial sustainability programme which has been paused since March 2020. There has been ongoing dialogue with SG on Covid-19 related financial assistance to bridge the gap to be combined with any further efficiencies, underspends or slippage we identify. Based on this there is confidence that brokerage will not be required to balance in year. A further financial return will be submitted at the end of January and will form the basis for agreeing more definite funding commitments.

£41.241m of additional cost has been incurred in the first nine months through cover for staff isolation, additional cleaning, separate Covid-19 pathways still in place, the costs of testing, tracing, outbreak control and vaccination. Costs are being logged and reported to SGHSCD quarterly through an agreed national process.

The recent allocations received included £2.879m funding for the impact of the Medical & Dental pay award uplift which was agreed a 3% and £0.718m further Agenda for Change pay award uplift funding for bands 8 and 9 which has also been agreed at 3%.

At the end of December 2021 the Board is reporting a £7.933m over spend which is £0.819m worse than the financial plan year to date trajectory. This includes a reported over spend within the Acute Division of £4.452m.

As in previous years, the Board maintained a longer list of capital schemes than could be covered by initial secured funding with a commitment to manage through the year to allow maximum progress. A funding plan is now in place for the current programme with any slippage or cost changes in the final quarter being closely monitored.

#### 4. STRATEGIC CONTEXT

This paper links to the following:

Corporate objectives	<input checked="" type="checkbox"/>	LDP	<input checked="" type="checkbox"/>	Government policy	<input type="checkbox"/>
Government directive	<input checked="" type="checkbox"/>	Statutory requirement	<input checked="" type="checkbox"/>	AHF/local policy	<input type="checkbox"/>
Urgent operational issue	<input type="checkbox"/>	Other	<input type="checkbox"/>		

#### 5. CONTRIBUTION TO QUALITY

This paper aligns to the following elements of safety and quality improvement:

*Three Quality Ambitions:*

Safe	<input type="checkbox"/>	Effective	<input checked="" type="checkbox"/>	Person Centred	<input type="checkbox"/>
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*Six Quality Outcomes:*

Everyone has the best start in life and is able to live longer healthier lives; (Effective)	<input type="checkbox"/>
People are able to live well at home or in the community; (Person Centred)	<input type="checkbox"/>
Everyone has a positive experience of healthcare; (Person Centred)	<input type="checkbox"/>
Staff feel supported and engaged; (Effective)	<input type="checkbox"/>
Healthcare is safe for every person, every time; (Safe)	<input type="checkbox"/>
Best use is made of available resources. (Effective)	<input checked="" type="checkbox"/>

#### 6. MEASURES FOR IMPROVEMENT

Achievement of AOP agreed position for revenue resource limit, capital resource limit and efficiency target.

#### 7. FINANCIAL IMPLICATIONS

As set out in the paper.

## 8. RISK ASSESSMENT/MANAGEMENT IMPLICATIONS

As set out in the paper.

## 9. FIT WITH BEST VALUE CRITERIA

This paper aligns to the following best value criteria:

Vision and leadership	<input type="checkbox"/>	Effective partnerships	<input type="checkbox"/>	Governance and accountability	<input checked="" type="checkbox"/>
Use of resources	<input checked="" type="checkbox"/>	Performance management	<input checked="" type="checkbox"/>	Equality	<input type="checkbox"/>
Sustainability Management	<input checked="" type="checkbox"/>				

## 10. EQUALITY AND DIVERSITY IMPACT ASSESSMENT

An E&D Impact Assessment has not been completed

Yes   
No

This is a factual position report prepared from information in the financial ledger. It contains no proposals with an equality and diversity impact.

## 11. CONSULTATION AND ENGAGEMENT

This is a largely factual position report prepared from information in the financial ledger. The investment proposals are linked back to previous Board strategic priorities, action plans or business cases and have been checked for suitability with the officers of the IJB.

## 12. ACTIONS FOR THE BOARD

The Board is asked to note the contents of the report.

Approve	<input checked="" type="checkbox"/>	Accept the assurance provided	<input checked="" type="checkbox"/>	Note the information provided	<input checked="" type="checkbox"/>
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## 13. FURTHER INFORMATION

For further information about any aspect of this paper, please contact *Laura Ace, Director of Finance* Telephone: 01698 752774.

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*Laura Ace*  
*Director of Finance*  
19 January 2022

# NHS LANARKSHIRE

## FINANCE REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

### 1. Introduction

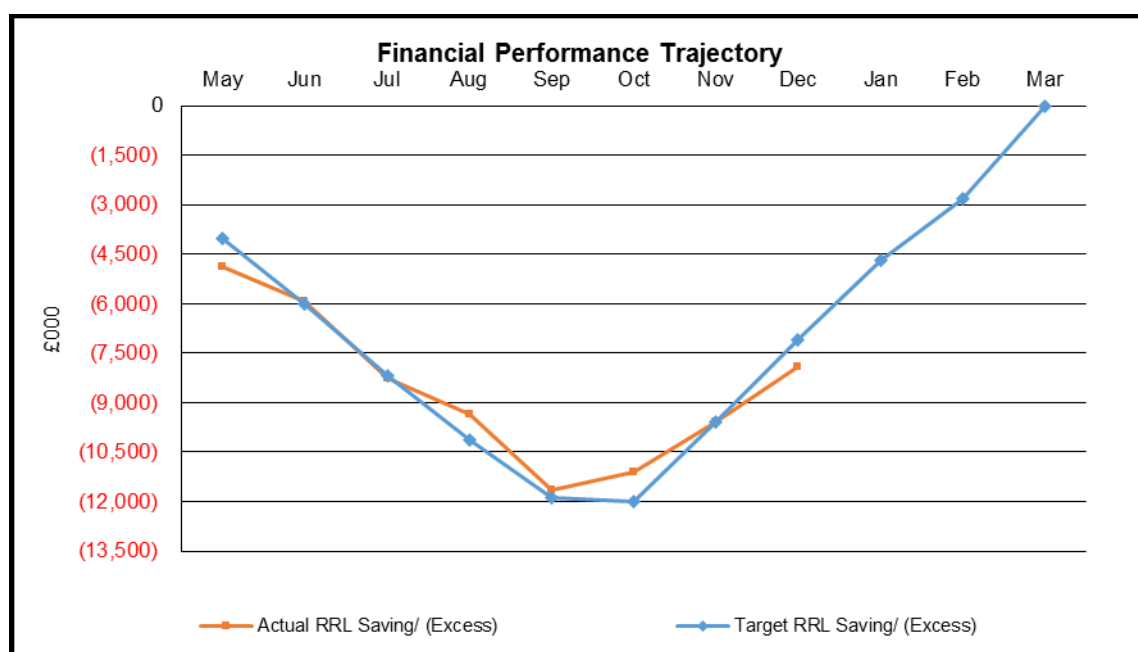
1.1. The purpose of this report is to provide the Board with a summary of revenue and capital financial performance for the nine months of 2021/22.

### 2. Overview

2.1. The 2021/22 financial plan was submitted to the Scottish Government Health and Social Care Department (SGHSCD) in March 2021. It assumed any continuing costs of the response to the Covid-19 pandemic would be separately funded. Otherwise it assumed that the underlying budgets would roll forward and be impacted by pay deals, supplies inflation, drugs growth and any agreed developments.

2.2. The Board broke even in 2020/21, but to do so relied on non-recurring savings, slippage in anticipated developments and drugs growth stalling during the pandemic. In the opening position recurring expenditure was estimated to be £17.365m higher than the recurring income. On top of this costs in 2021/22 are predicted to rise by more than the 1.5% allocation uplift plus any supplementary funding. Contributory factors are the previous AfC pay deal, hospital drugs growth and a range of national commitments and local cost pressures. The closing gap was predicted to rise to £30.693m. Efficiency savings would normally have been sought to close this gap but at the time of submitting the plan £25.773m of savings were still to be identified.

2.2. As the £25.773m had not been identified at 31 March 2021 it was assumed expenditure would exceed income until October 2021 at which point the Board would have implemented plans for financial balance and would see an improvement in the second half of the year. The assumed trajectory was as set out below.



- 2.3 Given the continuing system pressures it is not realistic to assume there will be significant inroads into the gap by efficiency schemes. However, in the second half of the year there is greater certainty over any areas of the plan which will proceed more slowly or pockets of unplanned underspends which can narrow the gap. It is still envisaged that additional Scottish Government support will be needed.
- 2.4 To the end of December 2021, Acute and Corporate have recorded a total of £31.996m as being attributable to Covid-19 and the health element of the Health and Social Care Partnerships £9.245m. It has been assumed that these costs will be funded either directly from Scottish Government or from reserves held by IJB's from funding issued by SG in 2020/21 and so will not impact on the bottom line.
- 2.5 Table 1 below shows the split by Division, further explained in sections 4 to 7. The negative balance against Area Wide reflects the fact budgets have been handed out to cover pay rises and other cost increases agreed in the financial plan but the cash releasing efficiency savings needed to fund these budgets have not been made.

	<b>YTD Budget £M</b>	<b>YTD Actual £M</b>	<b>YTD Variance £M</b>
Acute Operating Division	320.782	325.234	(4.452)
North Lanarkshire Health & Social Care Partnership	236.278	231.846	4.432
South Lanarkshire Health & Social Care Partnership	333.027	328.384	4.643
Estates, E health and Other Corporate Functions	147.431	144.021	3.410
Service Level Agreements / Other Healthcare Providers	165.826	165.562	0.264
NHSL - Area Wide	(33.511)	(26.356)	(7.155)
<b>Net operating costs</b>	<b>1,169.833</b>	<b>1,168.691</b>	<b>1.142</b>
Remove IJB Position	(569.305)	(560.230)	(9.075)
<b>Revised Net operating costs</b>	<b>600.528</b>	<b>608.461</b>	<b>(7.933)</b>

### **3. Revenue Resources**

- 3.1. At the end of December 2021, the Core Revenue Resource Limit (RRL) for NHS Lanarkshire was £1,544.208m, details of which are noted in Annex A.
- 3.2. Lanarkshire received £1.840m to recruit an additional 123 NHS staff at bands 3-4 across community services and acute, this being our share of 1000 additional staff Territorial Boards are being asked to recruit to provide additional capacity across Health Care Services. We also received £2.341m for Multi-disciplinary teams to prevent admissions or support discharge, our share of £20m national funding shared between North £1.160m and South £1.181m.
- 3.3. The December 2021 Core Revenue Resource Limit includes the following confirmed resources for Health and Social Care Partnerships; £0.138m Telephony Systems for Primary Medical Services, £0.398m Taskforce funding for Alcohol Drug Partnerships, £0.115m Mental Health funding for Pharmacist recruitment, £0.124m Type 2 Diabetes

& Adult Weight Management, and £0.148m for Mental Health & Wellbeing in Primary Care Services.

- 3.4. The December 2021 Core Revenue Resource Limit also includes confirmed resources of £0.508m our share (tranche 2) of regional funding from the Scottish Trauma Network, £0.104m for additional CT and MRI capacity and £0.860m for the roll out across NHS Scotland of the National Interface Care Programme as part of the Urgent and Unscheduled Care Programme.
- 3.5. NHS Lanarkshire received £2.879m for the Medical & Dental pay award uplift which was agreed a 3% and £0.718m further Agenda for Change pay award uplift funding for bands 8 and 9 which has also been agreed at 3%.
- 3.6. The November 2021 Core Revenue Resource Limit included the following confirmed resources for Health and Social Care Partnerships; £0.797m Alcohol Drug Partnership Frontline Services, £2.093m Alcohol Drug Partnership Programme for Government Funding, £0.475m for Psychological Therapies, £2.378m for Mental Health Outcomes Framework, £3.308m Distress Brief Intervention funding including Host and pilot project funding and the expansion of Associate Site and National pathways, £0.429m Dementia post Diagnostic Support, £0.257m District Nursing Training, £0.397m Tranche 2 Family Nurse Partnership, £0.245m for Primary Care Digital Improvement, £0.245m to expand Primary Care Estates and £0.429m GP Premises Improvement.
- 3.7. The November 2021 Core Revenue Resource Limit also included confirmed resources of £0.992m for Core Health Board Research, £0.140m for 1<sup>st</sup> and 2<sup>nd</sup> quarter payments for Open University Nurse Students and a further £0.113m to aid the recovery of planned elective care.

#### 4. Acute Division

- 4.1. The Acute Division is reporting an over spend of £4.452m for the period to the end of December 2021, as detailed in Table 2. The over spend is £4.325m more than at the same point in the previous year. Although Covid-19 funding has not been fully confirmed by SGHSCD, in this presentation budget has been released to match the £9.312m of costs attributed to Covid-19 up to the end of December so it does not contribute to the over spend.

	<b>Budgeted Operating Costs 31/12/2021 £M</b>	<b>Actual Operating Costs 31/12/2021 £M</b>	<b>Actual saving / (excess) 31/12/2021 £M</b>
Pay	260.635	262.193	(1.558)
Non Pay	81.093	83.987	(2.894)
Healthcare Purchases	2.364	2.364	0.000
<b>Gross operating costs</b>	<b>344.092</b>	<b>348.544</b>	<b>(4.452)</b>
Less: miscellaneous income	(32.622)	(32.622)	0.000
<b>Net operating cost</b>	<b>311.470</b>	<b>315.922</b>	<b>(4.452)</b>
Covid-19 Spend	9.312	9.312	0.000
<b>Revised Net operating cost</b>	<b>320.782</b>	<b>325.234</b>	<b>(4.452)</b>

- 4.2. The main elements of the over spend are pay costs in excess of budget (nursing £0.792m and Medical £0.960m) and a £4.131m over spend on drugs partly offset by an under spend of £1.218m on theatres supplies which are lower due to reduced elective activity.
- 4.3. The combination of the Covid-19 demand and a more general pressure on unscheduled care has stretched the available workforce and necessitated a range of measures to increase available resource. Supernumerary health care support workers were recruited some time ago with a further round of permanent recruitment on the back of the December allocation. All available nursing graduates were recruited in 2021 with those willing to start early being brought in as band 4's. Supernumerary admin staff were also recruited to support wards. Nursing agency not directly related to Covid-19 activity has increased to £5.656m in the first 9 months compared to £1.591m in the same period in 2019/20. In addition, the previous 3 year pay deal had a final scale point movement in 2021/22 which hasn't been funded and its impact will intensify in the second half of the year. The impact of a successful re-banding claim for a group of health care support workers will also feature in future months and depending on national discussions, may have far wider impact.
- 4.4. The 3% medical staff pay rise was implemented in October with arrears paid out in November. SGHSCD have provided funding to cover the higher than planned impact of this and the 3% agreed for AfC bands 8 and 9 therefore budget has been released.
- 4.5. At £46.818m, the first 9 month's Lanarkshire hospitals drug spend is 26% more than at the same point last year and 16% more than the same point in 2019/20. Multiple factors have been identified but the most significant are new cancer treatments and an increase in drugs provided through healthcare at home. There is a 14% increase in out of area drug spend, based on the first six months' data, driven by growth in use of new cancer drugs and treatments for cystic fibrosis. The financial plan uplift for drugs growth in 2021/22 is insufficient to cover the provisional year-end forecasts.

## **5. Health and Social Care Partnerships**

- 5.1. Across the Health and Social Care Partnerships, there is an under spend of £9.075m for the period to the end of December 2021 (North IJB - £4.432m; South IJB - £4.643m). There are pay underspends in all North localities and in the South hosted services (Community dental, OOH and physiotherapy) due to vacancies.
- 5.2. In accordance with SG guidance the Covid-19 costs up to the end of December 2021 (North IJB - £2.798m; South IJB - £6.447m) are being met from a combination of funding received from Scottish Government and IJB reserves created from funding issued by Scottish Government in 2020/21.
- 5.3. Prescribing figures have been received up till the end of October 21 with indicative volumes to the end of November. The cumulative number of items dispensed is 0.46% less than the equivalent period pre pandemic. Price per item is slightly lower than last year's average. As in previous years the higher average price per item in South Lanarkshire causes difficulties against the budget with a provisional estimate of an £0.9m overspend to date. The North Lanarkshire position has been held at breakeven until more data is available.

- 5.4. A proportion of the planned savings have been deducted from the opening budgets (those relating to GP prescribing, North £1.186m out of the original £2.082m, South £0.682m out of the original £2.172m). As both IJB's are showing a half year underspend despite the gap in savings against initial estimates, this will be re-evaluated as the year progresses.
- 5.5. Tables 3 and 4 show the position in each partnership.

	<b>Budgeted Operating Costs 31/12/2021 £M</b>	<b>Actual Operating Costs 31/12/2021 £M</b>	<b>Actual saving / (excess) 31/12/2021 £M</b>
Pay	109.980	105.672	4.308
Non Pay	66.529	66.974	(0.445)
Prescribing	52.679	52.679	0.000
<b>Sub Total</b>	<b>229.188</b>	<b>225.325</b>	<b>3.863</b>
Primary Care Transformational Fund	0.000	0.000	0.000
Share of Primary Care Other Services	7.090	6.521	0.569
Family Health Services	0.000	0.000	0.000
<b>Net operating cost</b>	<b>236.278</b>	<b>231.846</b>	<b>4.432</b>
Less: Covid-19 spend	(2.798)	(2.798)	0.000
<b>Revised net operating cost</b>	<b>233.480</b>	<b>229.048</b>	<b>4.432</b>

	<b>Budgeted Operating Costs 31/12/2021 £M</b>	<b>Actual Operating Costs 31/12/2021 £M</b>	<b>Actual saving / (excess) 31/12/2021 £M</b>
Pay	55.534	52.449	3.085
Non Pay	57.974	56.062	1.912
Prescribing	49.745	50.645	(0.900)
<b>Sub Total</b>	<b>163.253</b>	<b>159.156</b>	<b>4.097</b>
Primary Care Transformational Fund	5.373	5.373	0.000
Share of Primary Care Other Services	6.812	6.266	0.546
Family Health Services	157.589	157.589	0.000
<b>Net operating cost</b>	<b>333.027</b>	<b>328.384</b>	<b>4.643</b>
Less: Covid-19 spend	(6.447)	(6.447)	0.000
<b>Revised net operating cost</b>	<b>326.580</b>	<b>321.937</b>	<b>4.643</b>

## 6. Estates, e-Health and Other Corporate Functions

- 6.1. Corporate functions are reporting an under spend of £3.410m for the period to the end of December 2021, as detailed in Table 5. Budget has been released to match the £22.684m of costs attributed to Covid-19 up to the end of December. The costs of Test and Protect, the Vaccination programme, community testing and enhanced cleaning across all of NHS Lanarkshire are being reflected in the corporate section of the ledger, hence the high level of Covid-19 costs.



**Table 5 - Estates, E Health and Other Corporate Functions**

	<b>Budgeted Operating Costs 31/12/2021 £M</b>	<b>Actual Operating Costs 31/12/2021 £M</b>	<b>Actual saving / (excess) 31/12/2021 £M</b>
Pay	54.454	52.214	2.240
Non Pay	77.101	75.931	1.170
<b>Gross operating costs</b>	<b>131.555</b>	<b>128.145</b>	<b>3.410</b>
Less: miscellaneous income	(6.808)	(6.808)	0.000
<b>Net operating cost</b>	<b>124.747</b>	<b>121.337</b>	<b>3.410</b>
Covid-19 Spend	22.684	22.684	0.000
<b>Revised Net operating cost</b>	<b>147.431</b>	<b>144.021</b>	<b>3.410</b>

6.2. The under spend is spread across Property and Support Services (£1.525m), other Corporate Functions (£1.576m) and Occupational Health (SALUS) (£0.309m) whose income generating activities are pre-planned to make a contribution to other Board overheads. Typically, this will be assessed part way through the year and if guaranteed, transferred to our efficiency total.

## 7. Service Level Agreements/Other Healthcare Providers

7.1. Service Level Agreements and Other Healthcare Providers are reporting an under spend of £0.264m for the period to the end of December 2021, as detailed in table 6.

**Table 6 - Service Agreements / Other Healthcare Providers 2021/22**

	<b>Budgeted Operating Costs 31/12/2021 £M</b>	<b>Actual Operating Costs 31/12/2021 £M</b>	<b>Actual saving / (excess) 31/12/2021 £M</b>
Service Level Agreements	142.306	141.914	0.392
Unpacs and Oats	23.201	23.225	(0.024)
Independent Sector	0.319	0.423	(0.104)
<b>Net operating cost</b>	<b>165.826</b>	<b>165.562</b>	<b>0.264</b>

## 8. CRES/Efficiency

8.1. The financial plan was prepared on the basis of historic budgets and agreed developments. It was assumed any additional Covid-19 costs would be funded. Taking account of the opening gap of £17.635m and modelling the pay and supplies price increases and the previous trend on high cost drugs produced a cost increase £30.693m greater than the income increase. To balance this the Board would have needed to release £30.693m of cash from budgets through efficiency savings (CRES). At the time of submitting the financial plan the Board had identified proposals for all but £25.773m of this total. Due to Covid-19 no additional schemes have been identified in the first 9 months though some of the schemes have delivered more than anticipated and at a later stage we will record any underspends against the total.

- 8.2. In 2020/21 NHS Lanarkshire, unlike other Boards, did not claim any compensatory funding for savings unable to be delivered due to Covid-19. The gap last year was smaller (starting at £10.030m with sufficient efficiency identified to reduce in year to £9.174m) and was finally able to be closed because cost growth – particularly new drugs and specialist service developments was suppressed whilst the focus was on Covid-19. At the time of the Board approving the financial plan in March 2021 it was still not clear the pace at which the paused cost growth might resume so it was agreed to reassess the efficiency gap after quarter 1. The steep rise in high cost drugs in the first 9 months suggests that the 2020/21 experience is unlikely to be repeated although given the scale of our activities it is likely that during the second half of the year we will see slippage on some smaller areas within our plan or unexpected income. Reflecting this NHS Lanarkshire advised SGHSCD of the potential for a remaining gap of £12m from undeliverable savings in year due to Covid-19. SGHSCD have asked that we continue to look to reduce this figure and as yet have not confirmed Covid-19 funding.
- 8.3. Table 7 gives an assessment of month 9 performance against the opening financial plan submission. Savings to date include rebates on drug list prices, small property or equipment savings and the estimated impact of the HSCP prescribing efficiency plans. On top of this there will be some in year underspends and further procurement savings which will be able to contribute to closing the gap but at this stage they have not been transferred in to the CRES report below.

<b>Table 7</b>				
<b>Financial Plan description</b>	<b>Annual Operating Plan £m</b>	<b>Revised Annual Plan £m</b>	<b>Plan to date £m</b>	<b>Actual to Date £m</b>
Service redesign	0.147	0.147	-	-
Drugs & prescribing	0.617	0.640	0.390	0.395
Workforce	-	-	-	-
Procurement	2.250	2.250	1.013	3.558
Infrastructure	1.906	2.051	2.051	2.096
Other	-	-	-	-
Financial Management / Corporate Initiatives	-	-	-	-
Unidentified Savings	25.773	25.605	-	-
<b>Total Core NHS Board Savings</b>	<b>30.693</b>	<b>30.693</b>	<b>3.454</b>	<b>6.049</b>
<b>Savings delegated to Integration Authorities</b>	<b>4.254</b>	<b>4.254</b>	<b>1.401</b>	<b>2.041</b>
<b>Total Savings Required</b>	<b>34.947</b>	<b>34.947</b>	<b>4.855</b>	<b>8.090</b>

## 9. Capital

- 9.1 The Scottish Government has confirmed the initial NHS Lanarkshire Capital Formula Allocation for 2021/22 at £12.392m, no change from the previous year. We have also received £0.250m for Orthopaedic redesign to reconfigure theatre 7 at Hairmyres, £0.144m for Dental Education and £0.100m for Laundry support as well as an

additional allocation to cover an equipment bid. NHS Lanarkshire will also be allowed to retain the £0.515m property receipts secured in year to support capital plans and will receive £5.0m towards the Monklands replacement or refurbishment business case. In addition, we are expecting a contribution from other Boards to regional schemes and are assuming a transfer of identified revenue for specific schemes to capital.

- 9.2 We have reached a stage where funding sources had been identified for all the capital projects listed and have amended our projections for any slippage known at this stage, regular monitoring will continue to fine tune plans for any late changes which should be of smaller magnitude.
- 9.3 Expenditure to the value of £8.829m has been incurred in the first nine months as detailed in Annex B.

## 10. Development and Approvals

- 10.1 We continue to incur additional costs as a result of the Covid-19 pandemic which are being recorded separately and reported quarterly to Scottish Government. Table 8 below represents the provisional month 9 position as at the 31<sup>st</sup> December. A commitment to the 2022/23 vaccination programme staffing is expected this week.
- 10.2 In Table 8, the test and protect initiative, care home support and the Covid-19 vaccination programme sit within the Corporate functions as does any system wide e health, HR or estates support.

<b>Table 8 - Covid-19 Revenue &amp; Capital Spend</b>	
<b>Area</b>	<b>Revenue 2021/22 £m</b>
Acute Operating Division	9.312
Corporate including Covid vaccinations and Test & Protect	22.684
<b>Total Board</b>	<b>31.996</b>
North Lanarkshire Health & Social Care Partnership	2.798
South Lanarkshire Health & Social Care Partnership	6.447
<b>Total Health &amp; Social Care Partnership</b>	<b>9.245</b>
<b>Total Board and Health &amp; Social Care Partnership</b>	<b>41.241</b>
Capital Spend	0.000
<b>Total Revenue and Capital</b>	<b>41.241</b>

## 11. Risk Assessment

As Table 9 illustrates, confirmed Covid-19 funding so far falls short of the year-end forecast at the half year stage. Experience so far suggests the year end expenditure will be less than forecast, particularly for the remobilisation plans which are taking time to recruit to. SGHSCD plan to review the Boards' Quarter 3 returns and then issue supplementary funding. Providing the expected downwards trend takes place in expenditure the risk of not receiving the support funding is felt to be low.

<b>Shortfall</b>	<b>Health Board £m</b>	<b>North £m</b>	<b>South £m</b>
General	5.209	1.435	6.556
Vaccination	3.725		
Testing	1.740		
PPE	(0.054)	0.613	0.086
<b>Total</b>	<b>10.621</b>	<b>2.048</b>	<b>6.642</b>
Unidentified Savings	12.000	0.085	1.542
<b>Potential Gap</b>	<b>22.621</b>	<b>2.133</b>	<b>8.184</b>

A similar risk assessment applies to the undelivered savings. SGHSCD's expectation is that the Board will continue to try to further reduce the £12m gap. If this is achieved, it is likely the impact of having to divert resources into the emergency response and not being able to pursue the efficiency programme will be recognised by SG and the Board will not have to apply for repayable brokerage.

The winter funding announced so far contains little that is accessible to the Acute Division who have c £6m of winter bids on the table. The ability to recruit is likely to be a major constraint. Once an assessment has been made of what could be implemented over winter has been done it is expected this figure will be much smaller and SGHSCD will be approached with bids for temporary winter cover. It is likely that there will be slippage e.g. the continued high level of emergency pressures means level of waiting times initiatives will be less than had been originally planned.

The higher than anticipated rise in hospital drugs expenditure is being closely monitored. It has been built into forecasts so only poses an additional in year risk if it rises faster.

Based on the dialogue with SGHSCD and the likelihood of a drop in some of our cost estimates the risk assessment has been lowered to medium.

## **12. Conclusion**

The Board is asked to note:

- the actual revenue over spend of £7.933m as at 31 December 2021;
- Covid-19 expenditure is provisionally assessed at 31 December 2021 as £41.241m and continuing;
- the overall risks highlighted in section 11 and the lowering of the risk of not reaching a breakeven position to medium;
- that the capital plan is now balanced.

**LAURA ACE**  
**DIRECTOR OF FINANCE**  
**19 January 2022**

<b>REVENUE RESOURCE LIMIT 2021/22</b>				
	<b>Baseline Recurring £M</b>	<b>Earmarked Recurring £M</b>	<b>Non Recurring £M</b>	<b>Total £M</b>
<b>Core Revenue Resource Limit as at 31 October 2021</b>	<b>1,302.843</b>	<b>137.022</b>	<b>81.885</b>	<b>1,521.750</b>
<b>November Adjustments to Allocations Confirmed:</b>				
Sentinel Lymph Node Biopsy WoSCAN	0.000	0.024	0.000	0.024
ADP Frontline Services	0.000	0.000	0.797	0.797
Exclusion Incident Audit Admin Support	0.000	0.000	0.032	0.032
ADP Programme for Government 2021-2022	0.000	0.000	2.093	2.093
Psychological Therapies	0.000	0.000	0.475	0.475
Mental Health Outcomes Framework	0.000	2.378	0.000	2.378
DBI Expansion - Associate site & additional pathway	0.000	0.000	1.500	1.500
DBI Expansion core funding	0.000	0.000	0.114	0.114
DBI Expansion - Host costs	0.000	0.000	0.207	0.207
DBI Expansion - National Pathway	0.000	0.000	0.939	0.939
DBI Pilot - Host costs	0.000	0.000	0.207	0.207
DBI Pilot core funding	0.000	0.000	0.341	0.341
Dementia Post Diagnostic Support Service	0.000	0.000	0.429	0.429
1st & 2nd quarter payments for OU students - 2021/22	0.000	0.000	0.140	0.140
District Nursing Training	0.000	0.000	0.257	0.257
RMP4 Elective Care Activity	0.000	0.000	0.113	0.113
Spiritual Care winter pressure	0.000	0.000	0.002	0.002
Single Point of Contact - WoSCAN Prostate	0.000	0.017	0.000	0.017
Tranche 2 - Family Nurse Partnership	0.000	0.397	0.000	0.397
Primary Care Digital Improvement	0.000	0.000	0.245	0.245
Expansion of Primary Care Estates	0.000	0.000	0.245	0.245
GP Premises Improvement	0.000	0.000	0.429	0.429
Improvements to forensic medical services	0.000	0.000	0.001	0.001
CSO support for NHS Research Scotland infrastructure	0.000	0.000	0.992	0.992
Medical and Dental Pay Uplift 2021-22	2.879	0.000	0.000	2.879
Further Agenda for Change Uplift 2021-22	0.718	0.000	0.000	0.718
Community Link Workers £500 payments	0.000	0.000	0.001	0.001
<b>Core Revenue Resource Limit as at 30 November 2021</b>	<b>1,306.440</b>	<b>139.838</b>	<b>91.445</b>	<b>1,537.724</b>
<b>December Adjustments to Allocations Confirmed:</b>				
HNC CAP students Backfill - Q1 & Q2 academic year 2021/22	0.000	0.000	0.040	0.040
Scottish Trauma Network - Tranche 2	0.000	0.508	0.000	0.508
Remote blood pressure monitoring (InHealthCare)	0.000	0.000	0.015	0.015
Improvements to forensic medical services	0.000	0.000	0.010	0.010
Pre-registration Pharmacist Scheme	0.000	(0.299)	0.000	(0.299)
Cancer Policy Additional Strategy funding	0.000	0.000	0.007	0.007
Community Pharmacy Champions	0.000	0.036	0.000	0.036
Primary Medical Services - Telephony Systems	0.000	0.000	0.138	0.138
Additional CT and MRI capacity	0.000	0.000	0.104	0.104
Inequalities projects	0.000	0.000	0.049	0.049
Task Force funding to ADPs	0.000	0.000	0.398	0.398
Mental Health Funding for Pharmacy Recruitment	0.000	0.115	0.000	0.115
Urgent & Unscheduled Care - Interface Care Programme	0.000	0.000	0.860	0.860
R&R Fund - Adult Neurodevelopmental Pathway Pilot Sites	0.000	0.000	0.050	0.050
Type 2 Diabetes & Adult weight management	0.000	0.000	0.124	0.124
Mental Health & Wellbeing in Primary Care Services	0.000	0.148	0.000	0.148
Multi-disciplinary teams	0.000	0.000	2.341	2.341
Additional Band 2-4 Staffing	0.000	0.000	1.840	1.840
<b>Core Revenue Resource Limit as at 31 December 2021</b>	<b>1,306.440</b>	<b>140.346</b>	<b>97.422</b>	<b>1,544.208</b>

<b>NHS LANARKSHIRE</b>			
<b>CAPITAL EXPENDITURE TO 31st December 2021</b>			
	<b>2021/22 A.O.P £M</b>	<b>2021/22 Forecast £M</b>	<b>Actual £M</b>
<b>Initial Capital Formula Allocation:</b>	<b>12.392</b>	<b>12.392</b>	<b>8.296</b>
<b>Capital Resource limit adjustments:</b>			
Hairmyres Orthopaedic Redesign	0.000	0.250	
Dental Education	0.000	0.144	
Equipment Replacement	0.000	2.583	
Laundry Equipment Funding	0.000	0.100	
<b>ADJUSTED NET ALLOCATION</b>	<b>£12.392</b>	<b>£15.469</b>	<b>£8.296</b>
<b>Anticipated Capital Resource Limit Adjustments :</b>			
Additional Central Resource Allocation (MRP)	5.000	5.000	
West of Scotland Laundry - Transfer from other boards	0.300	0.325	
Regional Capital Contribution - Vascular Surgery Theatre	0.232	0.062	
Revenue to Capital Transfers	1.550	0.134	
GP Sustainability	0.000	1.624	
Robot - GJNH Contribution	0.000	1.645	
Covid-19	0.000	0.040	
	<b>£7.082</b>	<b>£8.830</b>	<b>£0.000</b>
<b>Other Income Adjustments:</b>			
Other Income	0.018	0.018	0.018
	<b>£0.018</b>	<b>£0.018</b>	<b>£0.018</b>
<b>Disposal Programme:</b>			
Property Disposals	0.535	0.515	0.515
	<b>£0.535</b>	<b>£0.515</b>	<b>£0.515</b>
	<b>£20.027</b>	<b>£24.832</b>	<b>£8.829</b>
<b>CAPITAL EXPENDITURE:</b>			
<b><u>Business Cases</u></b>			
Monklands General Business Continuity	5.500	5.492	2.123
Acute Property Works	1.750	1.220	0.238
New Monklands Fees	5.000	5.000	3.864
	<b>12.250</b>	<b>11.712</b>	<b>6.225</b>
<b><u>Medical Equipment</u></b>	<b>3.977</b>	<b>7.102</b>	<b>0.000</b>
	<b>3.977</b>	<b>7.102</b>	<b>0.914</b>
<b><u>Other Service Developments</u></b>			
Northern Corridor	1.000	0.000	0.059
METC	0.400	0.776	0.776
CAMHS	0.800	0.899	0.026
	<b>2.200</b>	<b>1.675</b>	<b>0.861</b>
<b><u>Other Expenditure</u></b>			
CHP HM	0.100	0.000	0.000
PSSD Equipment	0.750	1.027	0.019
GP Sustainability	0.000	1.624	0.000
CAFM Replacement	0.000	0.056	0.056
Dental Education	0.000	0.100	0.067
Digital Pathology	0.000	0.431	0.000
Covid-19	0.000	0.040	0.000
Other	0.000	0.020	0.002
<i>subtotal</i>	<b>0.850</b>	<b>3.298</b>	<b>0.144</b>
I.M.&T Projects	0.750	1.045	0.685
	<b>1.600</b>	<b>4.343</b>	<b>0.829</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>£20.027</b>	<b>£24.832</b>	<b>£8.829</b>
<b>(OVER) / UNDER COMMITTED</b>	<b>£0.000</b>	<b>£0.000</b>	<b>£0.000</b>